



Sen. Dave Syverson

Filed: 4/8/2013

09800SB2071sam001

LRB098 06454 RPM 43829 a

1 AMENDMENT TO SENATE BILL 2071

2 AMENDMENT NO. _____. Amend Senate Bill 2071 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Sections 367h and 367j as follows:

6 (215 ILCS 5/367h) (from Ch. 73, par. 979h)

7 Sec. 367h. Deputy's continuance privilege. As used in this
8 Section:

9 1. The terms "municipality" and "creditable service" shall
10 have the meaning ascribed to such terms by Sections 7-105 and
11 7-113, respectively, of the Illinois Pension Code, as now or
12 hereafter amended.

13 The term "deferred pensioner" means a deputy who has
14 retired, having accumulated enough creditable service to
15 qualify for a pension, but who has not attained the required
16 age.

1 2. The term "deputy" shall mean a "sheriff's law
2 enforcement employee" as defined in Section 7-109.3 of the
3 Illinois Pension Code, and include only persons under the
4 coverage of Article 7 of that Code, as heretofore or hereafter
5 amended.

6 3. The "retirement or disability period" of a deputy means
7 the period:

8 a. which begins on the day the deputy is removed from a
9 sheriff's police department payroll because of the
10 occurrence of any of the following events, to wit: (i) the
11 deputy retires as a deferred pensioner, (ii) the deputy
12 retires from active service as a deputy with an attained
13 age and accumulated creditable service which together
14 qualify the deputy for immediate receipt of retirement
15 pension benefits under Section 7-142.1 of the Illinois
16 Pension Code, or (iii) the deputy's disability is
17 established under Article 7 of the Illinois Pension Code;
18 and

19 b. which ends on the first to occur of any of the
20 following events, to wit: (i) the deputy's reinstatement or
21 reentry into active service in the sheriff's police
22 department as provided for under Article 7 of the Illinois
23 Pension Code, (ii) the deputy's exercise of any refund
24 option or acceptance of any separation benefit available
25 under Article 7 of the Illinois Pension Code, (iii) the
26 deputy's loss pursuant to Section 7-219 of the Illinois

1 Pension Code of any benefits provided for in Article 7 of
2 that Code, or (iv) the deputy's death or -- if at the time
3 of the deputy's death the deputy is survived by a spouse
4 who, in that capacity, is entitled to receive a surviving
5 spouse's monthly pension pursuant to Article 7 of the
6 Illinois Pension Code -- the death or remarriage of that
7 spouse.

8 No policy of group accident and health insurance under
9 which deputies employed by a municipality are insured for their
10 individual benefit shall be issued or delivered in this State
11 to any municipality unless such group policy provides for the
12 election of continued group insurance coverage for the
13 retirement or disability period of each deputy who is insured
14 under the provisions of the group policy on the day immediately
15 preceding the day on which the retirement or disability period
16 of such deputy begins. So long as any required premiums for
17 continued group insurance coverage are paid in accordance with
18 the provisions of the group policy, an election made pursuant
19 to this Section shall provide continued group insurance
20 coverage for a deputy throughout the retirement or disability
21 period of the deputy and, unless the deputy otherwise elects
22 and subject to any other provisions of the group policy which
23 relate either to the provision or to the termination of
24 dependents' coverage and which are not inconsistent with this
25 Section, for any dependents of the deputy who are insured under
26 the group policy on the day immediately preceding the day on

1 which the retirement or disability period of the deputy begins;
2 provided, however, that when such continued group insurance
3 coverage is in effect with respect to a deputy on the date of
4 the deputy's death but the retirement or disability period of
5 the deputy does not end with such deputy's death, then the
6 deceased deputy's surviving spouse upon whose death or
7 remarriage such retirement or disability period will end shall
8 be entitled, without further election and upon payment of any
9 required premiums in accordance with the provisions of the
10 group policy, to maintain such continued group insurance
11 coverage in effect until the end of such retirement or
12 disability period. Continued group insurance coverage shall be
13 provided in accordance with this Section at the same premium
14 rate from time to time charged for equivalent coverage provided
15 under the group policy with respect to covered deputies whose
16 retirement or disability period has not begun, and no
17 distinction or discrimination in the amount or rate of premiums
18 or in any waiver of premium or other benefit provision shall be
19 made between continued group insurance coverage elected
20 pursuant to this Section and equivalent coverage provided to
21 deputies under the group policy other than pursuant to the
22 provisions of this Section; provided that no municipality shall
23 be required by reason of any provision of this Section to pay
24 any group insurance premium other than one that may be
25 negotiated in a collective bargaining agreement. Continuation
26 is not required for an insured who becomes eligible for

1 medicare. ~~If the group policy provides for a reduction in~~
2 ~~benefits and premium for insureds who become eligible for~~
3 ~~medicare, such provision shall apply to persons electing~~
4 ~~continued coverage under this Section.~~

5 Within 15 days of the beginning of the retirement or
6 disability period of any deputy entitled to elect continued
7 group insurance coverage under any group policy affected by
8 this Section, the municipality last employing such deputy shall
9 give written notice of such beginning by certified mail, return
10 receipt requested, to the insurance company issuing such
11 policy. The notice shall include the deputy's name and last
12 known place of residence and the beginning date of the deputy's
13 retirement or disability period.

14 Within 15 days of the date of receipt of such notice from
15 the municipality, the insurance company by certified mail,
16 return receipt requested, shall give written notice to the
17 deputy at the deputy's last known place of residence that
18 coverage under the group policy may be continued for the
19 retirement or disability period of the deputy as provided in
20 this Section. Such notice shall set forth: (i) a statement of
21 election to be filed by the deputy if the deputy wishes to
22 continue such group insurance coverage, (ii) the amount of
23 monthly premium, including a statement of the portion of such
24 monthly premium attributable to any dependents' coverage which
25 the deputy may elect, and (iii) instructions as to the return
26 of the election form to the insurance company issuing such

1 policy. Election shall be made, if at all, by returning the
2 statement of election to the insurance company by certified
3 mail, return receipt requested, within 15 days after having
4 received it.

5 If the deputy elects to continue coverage, it shall be the
6 obligation of the deputy to pay the monthly premium directly to
7 the municipality which shall forward it to the insurance
8 company issuing the group insurance policy, or as otherwise
9 directed by the insurance company; provided, however, that the
10 deputy shall be entitled to designate on the statement of
11 election required to be filed with the insurance company that
12 the total monthly premium, or such portion thereof as is not
13 contributed by a municipality, be deducted by the Illinois
14 Municipal Retirement Fund from the monthly pension payment
15 otherwise payable to or on behalf of the deputy pursuant to
16 Article 7 of the Illinois Pension Code, and be remitted by such
17 Fund to the insurance company. The portion, if any, of the
18 monthly premium contributed by a municipality for such
19 continued group insurance coverage shall be paid by the
20 directly to the insurance company issuing the group insurance
21 policy, or as directed by the insurance company. Such continued
22 group insurance coverage shall relate back to the beginning of
23 the deputy's retirement or disability period.

24 The amendment, renewal or extension of any group insurance
25 policy affected by this Section shall be deemed to be the
26 issuance of a new policy of insurance for purposes of this

1 Section.

2 In the event that a municipality makes a program of
3 accident, health, hospital or medical benefits available to its
4 deputies through self-insurance, or by participation in a pool
5 or reciprocal insurer, or by contract in a form other than a
6 policy of group insurance with one or more medical service
7 plans, health care service corporations, health maintenance
8 organizations, or any other professional corporations or plans
9 under which health care or reimbursement for the costs thereof
10 is provided, whether the cost of such benefits is borne by the
11 municipality or the deputies or both, such deputies and their
12 surviving spouses shall have the same right to elect continued
13 coverage under such program of benefits as they would have if
14 such benefits were provided by a policy of group accident and
15 health insurance. In such cases, the notice of right to elect
16 continued coverage shall be sent by the municipality; the
17 statement of election shall be sent to the municipality; and
18 references to the required premium shall refer to that portion
19 of the cost of such benefits which is not borne by the
20 municipality, either voluntarily or pursuant to the provisions
21 of a collective bargaining agreement. In the case of a
22 municipality providing such benefits through self-insurance or
23 participation in a pool or reciprocal insurer, the right to
24 elect continued coverage which is provided by this paragraph
25 shall be implemented and made available to the deputies of the
26 municipality and qualifying surviving spouses not later than

1 July 1, 1986.

2 The amendment, renewal or extension of any such contract in
3 a form other than a policy of group insurance policy shall be
4 deemed the formation of a new contract for the purposes of this
5 Section.

6 This Section shall not limit the exercise of any conversion
7 privileges available under Section 367e.

8 (Source: P.A. 90-655, eff. 7-30-98.)

9 (215 ILCS 5/367j) (from Ch. 73, par. 979j)

10 Sec. 367j. Municipal employee's continuance privilege.

11 (a) As used in this Section:

12 (1) The term "creditable service" shall have the
13 meaning ascribed to it by Section 7-113 of the Illinois
14 Pension Code.

15 (2) The term "municipality" means any municipality,
16 instrumentality, or participating instrumentality (as
17 those terms are defined in Sections 7-105, 7-107 and 7-108,
18 respectively, of the Illinois Pension Code) that
19 participates in the Illinois Municipal Retirement Fund
20 pursuant to Section 7-132 of the Illinois Pension Code.

21 (3) The term "employee" shall mean an employee as
22 defined in Section 7-109 of the Illinois Pension Code, but
23 does not include any person who is a deputy as defined in
24 Section 367h of this Code.

25 (4) The "retirement or disability period" of an

1 employee means the period:

2 (A) which begins on the day the employee is removed
3 from the municipality payroll because of the
4 occurrence of either of the following events: (i) the
5 employee retires from active service as an employee
6 with an attained age and accumulated creditable
7 service which together qualify the employee for
8 immediate receipt of retirement pension benefits under
9 Article 7 of the Illinois Pension Code, or (ii) the
10 employee's disability is established under Article 7
11 of the Illinois Pension Code; and

12 (B) which ends on the first to occur of any of the
13 following events: (i) the employee's reinstatement or
14 reentry into active service as provided for under
15 Article 7 of the Illinois Pension Code, (ii) the
16 employee's exercise of any refund option or acceptance
17 of any separation benefit available under Article 7 of
18 the Illinois Pension Code, (iii) the employee's loss
19 pursuant to Section 7-219 of the Illinois Pension Code
20 of any benefits provided for in Article 7 of that Code,
21 or (iv) the employee's death or, if at the time of the
22 employee's death the employee is survived by a spouse
23 who, in that capacity, is entitled to receive a
24 surviving spouse's monthly pension pursuant to Article
25 7 of the Illinois Pension Code, the death or remarriage
26 of that spouse.

1 (b) No policy of group accident and health insurance under
2 which employees of a municipality are insured for their
3 individual benefit shall be issued or delivered in this State
4 to a municipality unless such group policy provides for the
5 election of continued group insurance coverage for the
6 retirement or disability period of each employee who is insured
7 under the provisions of the group policy on the day immediately
8 preceding the day on which the retirement or disability period
9 of such employee begins. So long as any required premiums for
10 continued group insurance coverage are paid in accordance with
11 the provisions of the group policy, an election made pursuant
12 to this Section shall provide continued group insurance
13 coverage for an employee throughout the retirement or
14 disability period of the employee and, unless the employee
15 otherwise elects and subject to any other provisions of the
16 group policy which relate either to the provision or to the
17 termination of dependents' coverage and which are not
18 inconsistent with this Section, for any dependents of the
19 employee who are insured under the group policy on the day
20 immediately preceding the day on which the retirement or
21 disability period of the employee begins; provided, however,
22 that when such continued group insurance coverage is in effect
23 with respect to an employee on the date of the employee's death
24 but the retirement or disability period of the employee does
25 not end with the employee's death, then the deceased employee's
26 surviving spouse upon whose death or remarriage such retirement

1 or disability period will end shall be entitled, without
2 further election and upon payment of any required premiums in
3 accordance with the provisions of the group policy, to maintain
4 such continued group insurance coverage in effect until the end
5 of the retirement or disability period. Continued group
6 insurance coverage shall be provided in accordance with this
7 Section at the same premium rate from time to time charged for
8 equivalent coverage provided under the group policy with
9 respect to covered employees whose retirement or disability
10 period has not begun, and no distinction or discrimination in
11 the amount or rate of premiums or in any waiver of premium or
12 other benefit provision shall be made between continued group
13 insurance coverage elected pursuant to this Section and
14 equivalent coverage provided to employees under the group
15 policy other than pursuant to the provisions of this Section;
16 provided that no municipality shall be required by reason of
17 any provision of this Section to pay any group insurance
18 premium other than one that may be negotiated in a collective
19 bargaining agreement. Continuation is not required for an
20 insured who becomes eligible for medicare. ~~If the group policy~~
21 ~~provides for a reduction in benefits and premium for insureds~~
22 ~~who become eligible for medicare, such provision shall apply to~~
23 ~~persons electing continued coverage under this Section.~~

24 Within 15 days of the beginning of the retirement or
25 disability period of any employee entitled to elect continued
26 group insurance coverage under any group policy affected by

1 this Section, the municipality last employing such employee
2 shall give written notice of such beginning by certified mail,
3 return receipt requested, to the insurance company issuing such
4 policy. The notice shall include the employee's name and last
5 known place of residence and the beginning date of the
6 employee's retirement or disability period.

7 Within 15 days of the date of receipt of such notice from
8 the municipality, the insurance company by certified mail,
9 return receipt requested, shall give written notice to the
10 employee at the employee's last known place of residence that
11 coverage under the group policy may be continued for the
12 retirement or disability period of the employee as provided in
13 this Section. Such notice shall set forth: (i) a statement of
14 election to be filed by the employee if the employee wishes to
15 continue such group insurance coverage, (ii) the amount of
16 monthly premium, including a statement of the portion of such
17 monthly premium attributable to any dependents' coverage which
18 the employee may elect, and (iii) instructions as to the return
19 of the election form to the insurance company issuing such
20 policy. Election shall be made, if at all, by returning the
21 statement of election to the insurance company by certified
22 mail, return receipt requested, within 15 days after having
23 received it.

24 If the employee elects to continue coverage, it shall be
25 the obligation of the employee to pay the monthly premium
26 directly to the municipality which shall forward it to the

1 insurance company issuing the group insurance policy, or as
2 otherwise directed by the insurance company; provided,
3 however, that the employee shall be entitled to designate on
4 the statement of election required to be filed with the
5 insurance company that the total monthly premium, or such
6 portion thereof as is not contributed by a municipality, be
7 deducted by the Illinois Municipal Retirement Fund from the
8 monthly pension payment otherwise payable to or on behalf of
9 the employee pursuant to Article 7 of the Illinois Pension
10 Code, and be remitted by such Fund to the insurance company.
11 The portion, if any, of the monthly premium contributed by a
12 municipality for such continued group insurance coverage shall
13 be paid by the municipality directly to the insurance company
14 issuing the group insurance policy, or as directed by the
15 insurance company. Such continued group insurance coverage
16 shall relate back to the beginning of the employee's retirement
17 or disability period.

18 The amendment, renewal or extension of any group insurance
19 policy affected by this Section shall be deemed to be the
20 issuance of a new policy of insurance for purposes of this
21 Section.

22 (c) In the event that a municipality makes a program of
23 accident, health, hospital or medical benefits available to its
24 employees through self-insurance, or by participation in a pool
25 or reciprocal insurer, or by contract in a form other than a
26 policy of group insurance with one or more medical service

1 plans, health care service corporations, health maintenance
2 organizations, or any other professional corporations or plans
3 under which health care or reimbursement for the costs thereof
4 is provided, whether the cost of such benefits is borne by the
5 municipality or the employees or both, such employees and their
6 surviving spouses shall have the same right to elect continued
7 coverage under such program of benefits as they would have if
8 such benefits were provided by a policy of group accident and
9 health insurance. In such cases, the notice of right to elect
10 continued coverage shall be sent by the municipality; the
11 statement of election shall be sent to the municipality; and
12 references to the required premium shall refer to that portion
13 of the cost of such benefits which is not borne by the
14 municipality, either voluntarily or pursuant to the provisions
15 of a collective bargaining agreement. In the case of a
16 municipality providing such benefits through self-insurance or
17 participation in a pool or reciprocal insurer, the right to
18 elect continued coverage which is provided by this paragraph
19 shall be implemented and made available to the employees of the
20 municipality and qualifying surviving spouses not later than
21 July 1, 1991.

22 The amendment, renewal or extension of any such contract in
23 a form other than a policy of group insurance policy shall be
24 deemed the formation of a new contract for the purposes of this
25 Section.

26 (d) This Section shall not limit the exercise of any

1 conversion privileges available under Section 367e.
2 (Source: P.A. 86-1444; 87-435.)".